

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1491 – SB 2381**

February 28, 2016

**SUMMARY OF BILL:** Exempts logging equipment essentially and principally used for cutting and harvesting trees on farm property from property taxation as commercial and industrial tangible personal property.

**ESTIMATED FISCAL IMPACT:**

**Decrease Local Revenue - \$517,000**

**Assumptions:**

- Pursuant to Tenn. Code Ann. § 67-6-207(a)(4), equipment used exclusively for harvesting timber is exempt from state sales and use taxes when sold to a qualified farmer or nurseryman.
- Based on information from the Comptroller's Office, an estimated 47 counties contain property which is used exclusively for harvesting timber that will be exempt from property taxation under the provisions of the bill.
- Based on survey data from the Comptroller's Office, it is estimated that each county will incur an average decrease in property tax revenue of approximately \$11,000 per year; therefore, the recurring decrease in local government revenue is estimated to be \$517,000 (\$11,000 per county x 47 affected counties).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

/amj

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